

Support Section 4 Capacity Building for Community Development and Affordable Housing Program

Deadline: 12pm, Monday, April 3rd, 2017

Deadline to Enter Online Submission: Tuesday, April 4th, 2017

****This is an FY18 Programmatic Request****

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Dear Colleague,

Please join me in a letter urging the Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Subcommittee to continue funding for the Capacity Building for Community Development and Affordable Housing Program, commonly referred to as Section 4.

Section 4 ensures that community-based organizations throughout the nation's lower income communities, both urban and rural, have adequate community development resources to create and sustain jobs, increase housing production, and preserve the vitality and affordability of housing developments nationwide. It is the sole HUD program specifically designed for non-profit capacity building and is an important, unique, and efficient program that leverages significant private capital using minimal federal dollars.

Section 4 funds are matched on a 3 to 1 basis, and have a proven record of leveraging additional public and private capital. Total aggregate leverage has consistently been in the range of \$20 or more for each dollar of Section 4 funding – leading the GAO and OMB to recognize Section 4 as a cost-effective program.

From 2012 to 2016, Section 4 has been used to build and preserve more than 41,000 affordable homes for low-income households, and has attracted over \$6.8 billion in investment for lower-income neighborhoods and communities across the country. In addition, Section 4 has helped create jobs, support small businesses, and develop millions of square feet of commercial, retail, and community facility space.

As the economic challenges facing our nation's low-income communities continue to deepen, it is necessary to preserve effective funding programs like Section 4, that provide high performing community development corporations and community-based non-profits with the tools they need to revitalize their communities.

If you have any questions about the letter, please contact Matthew Colvin in Congresswoman Esty's office at matthew.colvin@mail.house.gov or 202-225-4476.

April 3, 2017

The Honorable Mario Diaz-Balart
Chair
Subcommittee on Transportation,
Housing and Urban Development
Committee on Appropriations
2358-A Rayburn House Office Building
Washington, DC 20515

The Honorable David Price
Ranking Member
Subcommittee on Transportation,
Housing and Urban Development
Committee on Appropriations
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairman Diaz-Balart and Ranking Member Price:

As you prepare the Transportation, Housing and Urban Development (HUD), and Related Agencies Appropriations bill for Fiscal Year 2018, we write to respectfully request \$35 million in funding for the critically important U.S. Housing and Urban Development (HUD) Capacity Building for Community Development and Affordable Housing Program, commonly referred to as Section 4.

Section 4 ensures that community-based organizations throughout the nation's lower income communities, both urban and rural, have adequate community development resources to create and sustain jobs, increase housing production, and preserve the vitality and affordability of housing developments nationwide. It is the sole HUD program specifically designed for non-profit capacity building and is an important, unique, and efficient program that leverages significant private capital using minimal federal dollars.

Since Congress authorized the program in 1993, Section 4 funding has benefited all 50 states and the District of Columbia. Section 4 strengthens communities across the nation by providing flexible support to local non-profit organizations to develop affordable housing, finance small businesses, revitalize commercial corridors, and help address local healthcare, childcare, education, and safety needs. Through direct financial assistance, training, and guidance, Section 4 provides local organizations with the staffing, program development, and financial resources necessary to maximize the impact of the services they provide and to ensure the long-term sustainability of their investments.

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From 2012 to 2016, Section 4 has been used to build and preserve more than 41,000 affordable homes for low-income households, and has attracted over \$6.8 billion in investment for lower-income neighborhoods and communities across the country. In addition, Section 4 has helped create jobs, support small businesses, and develop millions of square feet of commercial, retail, and community facility space.

As the economic challenges facing our nation's low-income communities continue to deepen, it is necessary to preserve effective funding programs like Section 4, that provide high performing community development corporations and community-based non-profits with the tools they need to revitalize their communities.

Thank you for your consideration.

Sincerely,

Elizabeth H. Esty

Member of Congress
